

I. CURRENT ECONOMIC PROBLEMS

I. АКТУАЛЬНЫЕ ЭКОНОМИЧЕСКИЕ ПРОБЛЕМЫ

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FEATURES OF INFLATION IN THE RUSSIAN ECONOMY 1990 – 2017

Abstract: The article considers two main approaches to the problem of inflation, the inflation of demand and inflation of costs, the features of inflation in Russia are described: abrupt development, distortion of consumer behavior, the lack of clear and thought-out stabilization measures. Inflation rates in Russia from 1990 to 2017, types, properties and methods of its reduction are also considered, the forecast for the near future is given.

Keywords: economy, inflationary process, rate of inflation growth.

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ОСОБЕННОСТИ ИНФЛЯЦИИ В РОССИЙСКОЙ ЭКОНОМИКЕ 1990 – 2017

Аннотация: В статье рассматривается два основных подхода к проблеме инфляции, рассматривается инфляция спроса и инфляция издержек, рассматриваются особенности инфляции в России: резкие скачки, искажение потребительского поведения, отсутствие четких и продуманных стабилизационных мер. Также рассматриваются темпы

инфляции в России с 1990 по 2017 годы, виды, свойства и методы ее снижения, приводится прогноз на ближайшее будущее.

Ключевые слова: экономика, инфляционный процесс, темпы роста инфляции.

The existing views on the origin and structure of inflation in the Russian economy can be divided into two main directions: monetary and non-monetary.

According to the monetary approach, inflation is a monetary phenomenon, and price changes depend only on changes in the money supply, i.e. a strict correspondence between price changes and the growth rate of the money supply is established. The quantitative theory of money proves these ideas.

As for the non-monetary approach, inflation is not related to the growth rate of the money supply but is related to the functioning of the real sector of the economy. The non-monetary approach suggests a number of reasons for Russian inflation, such as the liberalization of foreign trade, inflation of supply and demand costs, the monopoly position of individual producers, inflation expectations.

The study of the nature of inflationary processes in transition economies led to the creation of a single model of the inflationary process, combining the concepts of open and suppressed inflation.

The inflation process is considered to be a complex dynamic phenomenon, which is the unity of the processes of open inflation and the accumulation of inflation potential [1].

The study of the two components of the inflation process of open inflation and potential inflation (hidden inflation) and the mechanisms of turning hidden inflation into open allows revealing the features of the emergence of inflation processes in Russia since the 90s. To understand the origin of Russian inflation, we should consider the mechanisms of demand inflation and cost inflation in Russia.

Demand inflation is a type of inflation caused by an excess of aggregate demand that is not kept up by production, which means that aggregate demand exceeds aggregate supply. The conditions of demand inflation are increasing the demand from the population, increasing

investment and demand for capital goods during the economic recovery, as well as a possible increase in government spending [1].

Supply inflation is a type of inflation that occurs due to the increase in production costs in the conditions of incomplete use of production resources. It is supply-side inflation, when aggregate supply lags behind aggregate demand. The sources of such inflation are the growth of wages, the rise in the cost of raw materials, the increase in indirect taxes and excise taxes [1].

Inflation processes in Russia are characterized by the following features:

1. An abrupt development. Inflation was the highest in 1998. Then there was a sharp drop, and by 2000 – a steady decline. New races took place in 2008 and 2014. It should be noted that the growth of inflation rates is due not only to domestic factors, but also to the international political and economic situation.

2. Distortion of consumer behavior. The difficult historical past has formed in the Russian population a special consumer behavior, expressed in the accumulation of stocks and the acquisition of obviously unnecessary things. Buying goods in reserve, citizens provoke an even greater increase in prices for goods and services.

3. Lack of clear and deliberate stabilization measures. The analysis of the government's anti-inflation policy in the period from 1997 to 2017 shows that most of the measures to stop the growth of prices were ill-conceived, ineffective and often led to the aggravation of the whole situation.

Sharp inflation in Russia began long ago when oil prices went into a sharp rise. In 1992, when the average world oil prices were \$ 25-30 per barrel, the rapid growth of Russian prices was caused by the actions of the Central Bank and the government, which launched a crackdown on prices, consistently launching price liberalization and rapid credit and emission activities. At this time, the Central Bank increased the money supply over the simultaneously reduced commodity supply. As a result, instead of market equilibrium in the country began an economic crisis that led to hyperinflation, and then stagflation of the economy. This was due to the fact that the increase in prices took place in a highly monopolized structures that are not amenable to rapid transformation into competitive owners. Schemes of de-monopolization and denationalization of property have not yet been fully developed, their application began without a

reliable legal framework with a shifted structure of production and extremely low efficiency.

Inflation in Russia is due to the peculiarity of the Russian economy. The most significant factors of inflation in Russia are inflation expectations due to public distrust of the authorities, banks, the financial market, and the ruble in General.

Official forecasts of the government on the state of inflation from 2000 to 2017 did not come true. In fact, its level was 1.5 times higher than predicted. Despite the rather low growth rate (compared to 1998, 2008), prices for basic goods and products continue to grow steadily at the top.

In turn, the real income of the population is significantly reduced. Currently, experts note some stabilization of the situation and argue that the rate of inflation growth in the whole year will not exceed 7-8%. Projected price growth will be up to 10%. This will reduce the purchasing power of the population. As a result, Russians will buy less household appliances, expensive clothes, and some types of food.

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